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Qi Sheng Sdn Bhd & Ors v Foong Yit Meng & Anor

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HIGH COURT (KUALA LUMPUR) — ORIGINATING SUMMONS NO WA-24IP-2–02 OF 2020
MOHD RADZI J
22 FEBRUARY 2021

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Trade Marks — Registered trade mark — Invalidation — Application for — Whether plaintiffs' application for invalidation could be sustained — Whether plaintiffs were aggrieved persons — Whether plaintiffs estopped from challenging validity of defendants' trademarks — Trademarks Act 2019 s 47

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The second plaintiff was the registered proprietor of the trademarks under registration Nos 96003868 and 08008365. The plaintiffs pleaded that these were very well-known trademarks in the footwear industry. The second plaintiff also applied for the trademark registration bearing application No 2018015831. The first and third plaintiffs had been authorised by the second plaintiff to use the said registered trademarks and the trademark which was in the process of being registered as they were all involving a family business. The first defendant was the registered proprietor of the trademarks under registration Nos 05000826 and 2016007852 ('CONVERT trademarks'). The plaintiffs applied for, among others, the trademarks under registration Nos 05000826 and 2016007852, both registered under the first defendant's name, to be invalidated and consequently be cancelled and expunged from the Registrar of Trade Marks pursuant to s 47 of the Trademarks Act 2019 ('the Act'). The plaintiffs' application was made on the grounds: (a) the registration of the defendants' CONVERT trademarks were obtained by fraud and/or misrepresentation; (b) the use of the trademarks was likely to deceive or cause confusion to the public; (c) the trademarks were not distinctive; and (d) the plaintiffs' were the persons aggrieved by the registration of the trademarks. There was also an earlier action brought by the defendants vide OS No WA-24IP-7–05 of 2019 ('OS 2019') where the defendants filed an ex parte application for, among others, declaratory orders pursuant to ss 8, 9(1) and 9(2) of the Trade Descriptions Act 2011 and O 7 r 7 of the Rules of Court 2012 ('the ROC') that the use of the marks such as Comfort, Goco and Goco Comfort by any persons or companies in relation to clothing etc that was not manufactured, distributed, sold, supplied or licensed by the defendants, was a use of false trade description for the purposes of the Trade Descriptions Act 2011. The court granted the ex parte trade description order ('ex parte TDO'). Consequent to the ex parte TDO, a raid was carried out at the plaintiffs' premises where a total of 76,632 pairs of slippers bearing the infringing marks were seized. The first and second plaintiffs alleged that the raid had resulted in

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them suffering substantial losses and damages to their business. This led to the first and second plaintiffs filing an application to intervene in the OS 2019 pursuant to O 42 r 3 and O 15 r 6(2)(b) of the ROC and for them to be allowed to set aside the said ex parte TDO, but had been dismissed.

Held, dismissing the plaintiffs' application with costs:

(1) (1) In determining whether the plaintiffs' application for an invalidation could be sustained, s 47 of the Act instructed the court to resolve the fundamental legal issue as to whether or not the plaintiffs were aggrieved persons. For the plaintiffs to 'pass the test' and being recognised as 'aggrieved persons' within the meaning of s 47 of the Act, they must firstly possess the locus standi, and secondly, they could not fall within the category of busy-bodies. The plaintiffs' main complaint to substantiate their current application before the court was that the defendants' CONVERT trademarks contravened Camel Active mark and Converse mark. The plaintiffs had nothing to do, either legally, economically, socially, personally or through any form of business connection or otherwise, with the Camel Active and Converse trademarks, or the said trademarks' owners. There was no iota of evidence to prove to the court that the actual proprietors of the Camel Active and Converse trademarks — who were third parties — had taken issue at any time with the defendants' CONVERT trademarks. The plaintiffs had no substantive locus standi to initiate this action and the plaintiffs had no legal basis to start this proceeding against the defendants as the plaintiffs were not aggrieved persons within the meaning of s 47 of the Act. The plaintiffs were mere busybodies (see paras 33, 35 & 51–53).

(2) As the plaintiffs' trade marks had been found to have constituted infringements of the first defendant's trademarks and/or passing off through the TDO, the plaintiffs could not now come before the court to ask for an invalidation order against the defendants' trademarks which was the very subject of the TDO proceeding. For the court to recognise the plaintiffs as an aggrieved person, and to entertain their invalidation request, despite having the knowledge of the outcome of the ex parte TDO proceeding in the OS 2019, would be in direct breach of public policy. There were merits in the defendants' arguments that the plaintiffs were estopped from challenging the validity of the defendants' CONVERT trademarks as they had raised the same challenge in their application to set aside the TDO, which they lost and was now pending appeal. The defendants had successfully raised the issue estoppel against the plaintiffs (see paras 64–65).

[Bahasa Malaysia summary

Plaintif kedua adalah pemilik berdaftar cap dagangan di bawah nombor pendaftaran 96003868 dan 08008365. Plaintif memplid bahawa ia adalah cap

dagangan yang sangat terkenal dalam industri kasut. Plaintif kedua juga memohon pendaftaran cap dagangan No 2018015831. Plaintif pertama dan ketiga telah dibenarkan oleh plaintif kedua untuk menggunakan cap dagangan berdaftar tersebut dan cap dagangan yang sedang dalam proses didaftarkan kerana semuanya melibatkan perniagaan keluarga. Defendan pertama adalah pemilik berdaftar cap dagangan di bawah nombor pendaftaran 05000826 dan 2016007852 ('cap dagangan CONVERT'). Plaintif memohon, antara lain, cap dagangan di bawah nombor pendaftaran 05000826 dan 2016007852, kedua-duanya didaftarkan di bawah nama defendan pertama, untuk dibatalkan dan akibatnya dihapuskan dan dikeluarkan daripada Pendaftar Cap Dagangan menurut s 47 Akta Cap Dagangan 2019 ('Akta'). Permohonan plaintif dibuat dengan alasan: (a) pendaftaran cap dagangan CONVERT defendan diperoleh dengan penipuan dan/atau salah nyata; (b) penggunaan cap dagangan mungkin menipu atau menimbulkan kekeliruan kepada orang ramai; (c) cap dagangan tidak berbeza; dan (d) plaintif adalah orang yang terkilan dengan pendaftaran cap dagangan. Terdapat juga tindakan terdahulu yang dibawa oleh defendan melalui OS No WA-24IP-7–05 Tahun 2019 ('OS 2019') di mana defendan memfailkan permohonan ex parte untuk, antara lain, perintah perisytiharan berdasarkan ss 8, 9(1) dan 9(2) Akta Perihal Dagangan 2011 dan A 7 k 7 Kaedah-Kaedah Mahkamah 2012 ('KKM') bahawa penggunaan cap seperti Comfort, Goco dan Goco Comfort oleh mana-mana orang atau syarikat yang berkaitan kepada pakaian dan lain-lain yang tidak dibuat, diedarkan, dijual, dibekalkan atau dilesenkan oleh defendan, adalah penggunaan perihal dagangan palsu untuk tujuan Akta Perihal Dagangan 2011. Mahkamah membenarkan perintah perihal dagangan ex parte ('ex parte TDO'). Selaras dengan ex parte TDO, satu serbuan dilakukan di premis plaintif di mana sejumlah 76,632 pasang selipar yang mempunyai cap pelanggaran telah disita. Plaintif pertama dan kedua mendakwa bahawa serbuan itu mengakibatkan mereka mengalami kerugian besar dan kerosakan pada perniagaan mereka. Ini menyebabkan plaintif pertama dan kedua memfailkan permohonan untuk campur tangan dalam OS 2019 menurut A 42 k 3 dan A 15 k 6(2)(b) KKM dan untuk mereka dibenarkan untuk mengetepikan ex parte TDO, tetapi telah ditolak.

Diputuskan, menolak permohonan plaintif dengan kos:

(1) Dalam menentukan sama ada permohonan plaintif untuk pembatalan dapat dipertahankan, s 47 Akta mengarahkan mahkamah untuk menyelesaikan isu perundangan asas mengenai sama ada plaintif adalah seseorang yang terkilan atau tidak. Untuk plaintif 'lulus ujian' dan diakui sebagai 'seseorang yang terkilan' dalam erti s 47 Akta, pertama mereka mesti memiliki lokus standi, dan kedua, mereka tidak boleh masuk dalam kategori penyibuk. Aduan utama plaintif untuk membuktikan permohonan semasa mereka di mahkamah adalah bahawa cap dagangan CONVERT defendan bertentangan dengan cap Camel Active dan cap

Converse. Plaintif tidak ada hubungan, baik secara sah, ekonomi, sosial, peribadi atau melalui sebarang bentuk hubungan perniagaan atau sebaliknya, dengan cap dagangan Camel Active and Converse, atau pemilik cap dagangan tersebut. Tidak ada sedikit pun keterangan untuk membuktikan kepada mahkamah bahawa pemilik cap dagangan Camel Active dan Converse yang sebenarnya — yang merupakan pihak ketiga — telah mempunyai masalah pada bila-bila masa dengan cap dagangan CONVERT defendan. Plaintif tidak mempunyai locus standi substantif untuk memulakan tindakan ini dan plaintif tidak mempunyai asas undang-undang untuk memulakan prosiding ini terhadap defendan kerana plaintif bukan seseorang yang terkilan dalam erti s 47 Akta. Plaintif hanyalah penyibuk (lihat perenggan 33, 35 & 51–53).

(2) Oleh kerana cap dagangan plaintif telah didapati sebagai pelanggaran terhadap cap dagangan defendan pertama dan/atau kelirupaan melalui TDO, plaintif tidak dapat hadir di hadapan mahkamah untuk meminta perintah pembatalan terhadap cap dagangan defendan yang menjadi subjek prosiding TDO. Untuk mahkamah mengiktiraf plaintif sebagai seseorang yang terkilan, dan untuk memenuhi permintaan pembatalan mereka, walaupun memiliki pengetahuan tentang hasil prosiding ex parte TDO dalam OS 2019, akan melanggar dasar awam. Terdapat merit dalam hujahan defendan bahawa plaintif dihalang untuk mencabar kesahihan cap dagangan CONVERT defendan kerana mereka telah menimbulkan cabaran yang sama dalam permohonan mereka untuk mengetepikan TDO, yang mereka kalah dan kini sedang menunggu rayuan. Defendan telah berjaya membangkitkan isu estoppel terhadap plaintif (lihat perenggan 64 & 65).]

Cases referred to

Arnold D Palmer in the matter of Trade Mark Registration No 63249, Re [1987] 2 MLJ 681; [1986] 1 LNS 11 (folld)

Asia Commercial Finance (M) Bhd v Kawal Teliti Sdn Bhd [1995] 3 MLJ 189; [1995] 3 CLJ 783, SC (refd)

Blackburn v Attorney-General [1971] 1 WLR 1037, CA (refd)

Boyce v Paddington Borough Council [1903] 1 Ch 109, Ch D (refd)

Gouriet v Union of Post Office Workers [1978] AC 435, HL (refd)

Government of Malaysia v Lim Kit Siang [1988] 2 MLJ 12; [1988] 1 CLJ 219; [1988] 1 CLJ Rep 63, SC (folld)

Hai-O Enterprise Bhd v Nguang Chan [1992] 2 CLJ Rep 436, HC (refd)

Ketua Pengarah Jabatan Alam Sekitar & Anor v Kajing Tubek & Ors and other appeals [1997] 3 MLJ 23; [1997] 4 CLJ 253, CA (refd)

LB (Lian Bee) Confectionery Sdn Bhd v QAF Ltd [2012] 4 MLJ 20; [2012] 3 CLJ 661, FC (refd)

Lim Cho Hock v Government of the State of Perak, Menteri Besar, State of Perak

and President, Municipality of Ipoh [1980] 2 MLJ 148; [1980] 1 LNS 43 (refd)
Malaysian Trade Union Congress & Ors v Menteri Tenaga, Air dan Komunikasi & Anor [2014] 3 MLJ 145; [2014] 2 CLJ 525, FC (folld)
McLaren International Ltd v Lim Yat Meen [2009] 5 MLJ 741; [2009] 4 CLJ 749, FC (refd)
Minister of Energy, Water and Communication & Anor v Malaysian Trade Union Congress & Ors [2013] 1 MLJ 61; [2012] 9 CLJ 858, CA (folld)
Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party) [2015] 6 MLJ 465, FC (refd)
Ooi Siew Bee (trading under the name and style Sykt Perniagaan Eng Leong) & Ors v Zhu Ge Kong Ming Sdn Bhd [2020] 4 MLJ 815; [2020] 1 LNS 261, CA (refd)
Powell v Birmingham Vinegar Brewery Co [1894] 11 RPC 4; [1984] AC 8, HL (refd)
Regina v Greater London Council ex parte Blackburn and another [1976] 1 WLR 550, CA (refd)
Tan Sri Haji Othman Saat v Mohamed bin Ismail [1982] 2 MLJ 177, FC (refd)
Tiga Gajah Cho Heng Sdn Bhd v Majuperak Tepung Beras Sdn Bhd [1997] 4 MLJ 504, HC (refd)

Legislation referred to

Rules of Court 2012 O 7 r 7, O 15 r 6(2)(b), O 42 r 3
Trademarks Act 2019 ss 23, 23(1), (1)(b), (3), (4), (5), (5)(a), 24, 29, 47, 47(1), (2), (6)
Trade Descriptions Act 2011 ss 8, 9(1), 9(2)
Trade Marks Act 1938 [UK]
Trade Marks Act 1976 (repealed by Trademarks Act 2019) s 19(1)
Trade Marks Act 1994 [UK]

Ng Poh Tat (Loh Yew Dong & Co) for the plaintiffs.
Kuek Pei Yee (Melissa Long Lai Peng and Lam Rui Rong with her) (Skrine) for the defendants.

Mohd Radzi J:

INTRODUCTION

[1] This is the plaintiffs' appeal against my decision in dismissing their application for, among others, the trademarks under Registration Nos 05000826 and 2016007852, both registered under the first defendant's name, to be invalidated and consequently be cancelled and expunged from the Register of Trade Marks pursuant to s 47 of the Trademarks Act 2019.

[2] Here are my grounds in coming to such decision.

BACKGROUND

[3] The second plaintiff is the registered proprietor of the trademarks under Registration Nos 96003868 and 08008365, with details as below:

Mark	Trademark Registration	Registration Date	Specification of Goods/Class
	96003868	15 April 1996	Sandals, slippers and shoes; all included in Class 25
	08008365	30 April 2008	Sandals, slippers and shoes; all included in Class 25

[4] The plaintiffs pleaded that these are very well-known trademarks in the footwear industry.

[5] The second plaintiff is also a person who applied for the trademark registration bearing application No 2018015831, with details as follows:

Mark	Trademark Registration	Registration Date	Specification of Goods/Class
	2018015831	3 December 2018	Sandals, slippers and shoes; rubber shoes and boots; rain shoes and boots; work shoes and boots; waterproof shoes and boots; sport shoes; all included in Class 25

[6] The first and third plaintiffs have been authorised by the second plaintiff to use the said registered trademarks and the trademark which is in the process of being registered as they are all involving a family business.

[7] The first defendant is the registered proprietor of the trademarks under registration Nos 05000826 and 2016007852 ('CONVERT trademarks'), with details as follows:

Mark	Trademark Registration	Registration Date	Specification of Goods/Class
CONVERT	05000826	18 January 2005	Clothing, footwear, headgear; all included in Class 25
CONVERT	2016007852	25 July 2016	Clothing, footwear, headgear, sandals, slippers, shoes; all included in Class 25

[8] The CONVERT trademarks were registered in the name of the first defendant as a Director of the second defendant on the understanding that the first defendant handle the administrative aspects and hold the registration of the CONVERT trademarks.

[9] Aside from those two registered trademarks, the defendants had also obtained registration for the CONVERT trademarks in Class 18 (for leather and imitations of leather, and goods made of these material; animal skins, hides, trunks and travelling bags; umbrellas and parasols; walking sticks; whips, harness and saddlery), and Class 35 (for advertising, business management, business administration, office functions). The CONVERT trademarks are also registered as trademarks in Singapore and the Philippines.

THE GROUNDS CITED FOR INVALIDATION

[10] The plaintiffs' application in encl 1 stated that the application for invalidation is made on the following grounds:

(a) the registration of the defendants' CONVERT trademarks were obtained by fraud and/or misrepresentation;

(b) the use of the said trademarks is likely to deceive or cause confusion to the public;

(c) the said trademarks are not distinctive; and

A (d) the plaintiffs are the persons aggrieved by the registration of the said trademarks.

[11] The application merely state that it is made pursuant to s 47 without specifying the exact provision in s 47 and the relevant provisions of the Act under which the application was grounded.

[12] This court made a finding that the first ground falls within sub-s 47(6) of the Act which provides:

C (6) The registration of trademark may be declared invalid by the Court upon the application by an aggrieved person or the Registrar on the ground of fraud in the registration or that the registration was obtained by misrepresentation.

The second ground of the application falls under sub-s 47(1) of the Act which provides:

(1) The registration of trademark may be declared invalid by the Court upon the application by an aggrieved person on the ground that the trademark was registered in breach of section 23.

Specifically, a trademark registration could be declared invalid if the plaintiffs could satisfy this court that the use of the said trademarks is likely to deceive or cause confusion to the public, as such registration breached para 23(5)(a) of the Act.

The third ground of the application falls under sub-s 47(2) of the Act which provides:

(2) Notwithstanding subsection (1), where the trademark was registered in breach of paragraph 23(1)(b), (c) or (d), it shall not be declared invalid if, the registration of trademark has acquired a distinctive character after its registration in consequence of its use in relation to the goods or services for which it is registered.

If the plaintiffs could prove that the said trademarks are not distinctive, the registration of the said trademarks could also be invalidated and expunged from the Register as the registration breached para 23(1)(b) of the Act.

[13] The application cited 'aggrieved person' as the fourth ground as it is a statutory requirement in all of the provisions above.

FIRST GROUND: THE FIRST DEFENDANT OBTAINED THE CONVERT TRADEMARKS BY FRAUD, DECEPTION AND MISREPRESENTATION

[14] The plaintiffs claimed that the defendants' CONVERT trademarks' registration were obtained by fraud, deception and/or misrepresentation on the following grounds:

(a) the stylised letter 'C' of the CONVERT trademark Registration No 05000826, viz:

(b) are conspicuously similar to the stylised letter 'C' of the following well-known Camel Active mark ('Camel Active mark'):

(c) the defendants' CONVERT trademarks are also confusingly similar, phonetically and visually, to another well-known mark of an international brand 'Converse' ('Converse mark'), as follows:

[15] The plaintiffs pleaded that by his failure to disclose the similarities between the defendants' CONVERT trademarks and the Camel Active and Converse marks, the first defendant has committed fraud and/or practised deception and/or misrepresentation to the Registrar of Trademarks.

[16] The plaintiffs relied on *Hai-O Enterprise Bhd v Nguang Chan* [1992] 2 CLJ Rep 436, where Mahadev Shankar J in a specific paragraph of His Lordship's judgment who, having referred to *Law of Trade Marks and Trade Names* (12th Ed) by Kerly, has held:

> ... It seems to me that the object of s 37(a)(b) and (c) (of the Trade Marks Act 1976) is directed to a consideration of the integrity of the mark ... the author (Kerly) says that what is meant by fraud under this section has not been precisley defined but goes on to say it might be fraud for a person to procure the registration of a trade mark of which he knows he is not entitled to claim the exclusive use — for instance

A if he knows that it is in use by another trader. ... So it would appear that to be made innocently it must follow that the applicant had no knowledge of the prior use of the mark by another trader, at the time of the application for registration. Where he had such knowledge it perhaps could still be of no consequence if the user by the other trader was of such a nature that justice would require it to be ignored.

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[17] The defendants argued that the allegations of fraud and deception against the defendants were plainly bare and frivolous one as the plaintiffs failed to show any factor of mala fide and dishonesty on the part of the defendants, the requisite elements to establish fraud, even for invalidation of C trademark, as held in *Tiga Gajah Cho Heng Sdn Bhd v Majuperak Tepung Beras Sdn Bhd* [1997] 4 MLJ 504.

[18] Aside from that, the defendants submitted that the Registrar of D Trademarks will conduct checks against its register when evaluating a trademark application, pursuant to s 29 of the Trademarks Act 2019.

SECOND GROUND: THE DEFENDANTS' TRADEMARK LIKELY TO DECEIVE OR CAUSE CONFUSION

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[19] The plaintiffs further claimed that the defendants' CONVERT trademarks are confusingly similar to the Camel Active and Converse marks. These similarities suggests that the defendants have copied the Camel Active and Converse marks with an intention to pass off their products as those F originating from the said Camel Active and Converse marks, both of which are internationally well-known brand.

[20] The plaintiffs pleaded further that many traders, shopkeepers and customers in the footwear industry refer to and pronounce the defendants' G CONVERT trademarks as 'Converse' and not 'Convert'. Many other traders, shopkeepers and customers in the footwear industry when showed the defendants' products with CONVERT trademarks regarded that products as Camel Active products. The plaintiffs pleaded these facts based on the affidavits by the following persons: H

(a) Cheah Wee Yau, a businessman, affirmed on 4 March 2020 (encl 4);

(b) Liew Tho Keong, a shoe shopkeeper, affirmed on 6 March 2020 (encl 5);

(c) Tan Choong Wah, a businessman, affirmed on 4 March 2020 (encl 6); I

(d) Wong Chee Seng, a director of a company dealing with shoes, affirmed on 9 March 2020 (encl 7);

(e) Yip Tong Leong, a businessman, affirmed on 4 March 2020 (encl 8);

(f) Chong Kar Horn, owner of YK Footwear, affirmed on 10 March 2020 (encl 9);

(g) Liew Kah Keat, owner of LKK Star Shoes, affirmed on 10 March 2020 (encl 10);

(h) Mohamad Saat bin Mat Japri, a clerk, affirmed on 9 March 2020 (encl 11); and

(i) Ravinthran a/l Kuppusamy, a clerk, affirmed on 9 March 2020 (encl 12).

[21] Based on those affidavit evidence, the plaintiffs pleaded that the confusion and deception caused to the members of the public and trade were due to the obvious phonetic and visual similarities between the defendants' CONVERT trademarks and the Converse and Camel Active marks.

[22] The first defendant had averred in his affidavit affirmed on 13 July 2020 and in response to the affidavits of the nine persons named in the preceding paragraph that those persons are not only aliens vis a vis the proceeding between the plaintiffs and the defendants, but questioned their evidence which were devoid of details of their purchases, if any, of the products exhibited through photographs in their respective affidavits, and the relevance of their evidence to the facts, circumstances and pleadings raised in the current proceeding between the parties.

[23] Aside from that, the defendants argued that not only are the plaintiffs not the proprietors of the Camel Active and Converse trademarks, but the actual proprietors of these Camel Active and Converse trademarks who are third parties have never taken issue with the defendants' CONVERT trademarks at any time.

THIRD GROUND: THE DEFENDANTS' TRADEMARKS ARE NOT DISTINCTIVE

[24] The plaintiffs claimed that the defendants' CONVERT trademarks bearing the word 'Convert' has a plain dictionary meaning lacking distinctiveness. Any goodwill and reputation acquired by the defendants were not due to the CONVERT trademarks but as a result of the similarities between the CONVERT trademarks and the Converse and Camel Active marks.

[25] Due to the lacking of its distinctiveness, the defendants' CONVERT trademarks are not capable of being registered as a trademark.

[26] The counsel for the defendants submitted that there is no prohibition in trademark law against trademarks comprising word with a dictionary meaning, as long as it is capable of being distinctive identifier of those particular goods.

FINDING

The invalidation provision

[27] Section 47 of the Trademarks Act 2019 sets out the powers of this court to deal with the plaintiffs' application to expunge or invalidate the first defendant's trademarks under Registration Nos 05000826 and 2016007852. For ease of reference, the provision is reproduced in whole as follows:

(1) The registration of trademark may be declared invalid by the Court upon the application by an aggrieved person on the ground that the trademark was registered in breach of section 23.

(2) Notwithstanding subsection (1), where the trademark was registered in breach of paragraph 23(1)(b), (c) or (d), it shall not be declared invalid if, the registration of trademark has acquired a distinctive character after its registration in consequence of its use in relation to the goods or services for which it is registered.

(3) The registration of trademark may be declared invalid by the Court upon the application by an aggrieved person on the ground that —

(a) there is an earlier trademark under subsection 24(1), (2) or (3); or

(b) there is an earlier right under subsection 24(4).

(4) The registration of trademark may not be declared invalid under subsection (3) if the proprietor of that earlier trademark or earlier right has consented to the registration.

(5) Where a trademark has been registered on the ground that there has been an honest concurrent use of the trademark and the earlier trademark or other earlier right, as provided for by section 25, the registration of trademark may not be declared invalid under subsection (3) unless the Registrar or the Court is satisfied that in fact there had been no honest concurrent use of the trademark and the earlier trademark or other earlier right.

(6) The registration of trademark may be declared invalid by the Court upon the application by an aggrieved person or the Registrar on the ground of fraud in the registration or that the registration was obtained by misrepresentation.

(7) Where the ground of invalidity exists in respect of only some of the goods or services for which the trademark is registered, the trademark shall be declared invalid as regards those goods or services only.

(8) Where the registration of trademark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made, but this shall not affect transactions past and closed.

[28] Briefly, s 47 of the Trademarks Act 2019 provides that this court can order for an invalidation of the plaintiffs' impugned trademarks if it is proven that:

(a) the registration of the said trademarks breached s 23 of the Act;

(b) the registration of the said trademarks breached s 24 of the Act which provides that a trademark cannot be registered if it is found to be identical with an earlier trademark, or that there is an earlier right in respect of the trademark applied for registration; or

(c) the registration was obtained by way of fraud or misrepresentation, as described under sub-s 47(6) of the Act.

[29] Subsections 23(1), (3), (4) and (5) of the Act provides absolute grounds for which the Registrar shall refuse to register a trademark. Some of these absolute grounds are:

(a) signs which are not capable of being represented graphically and not capable of distinguishing goods or services of one undertaking from those of other undertakings;

(b) trademarks which are devoid of any distinctive character;

(c) trademarks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, other characteristics of goods or services or the time of production of goods or of rendering of services;

(d) trademarks which consist exclusively of signs or indications which have become customary in the current language of the territory or in the bona fide and established practices of the trade;

(e) the trademark consists exclusively of the name of a country;

(f) the trademark contains or consists of recognised geographical indications;

(g) if the use of the trademark is likely to deceive or cause confusion to the public or contrary to any written law;

(h) if it is of such a nature as to deceive or mislead the public as to the nature, quality or geographical origin of the goods or services; or

(i) the trademarks contain or consist of the word 'Patent', 'Patented', 'By Royal Letters Patent', 'Registered', 'Registered Design', and 'Copyright'.

[30] If it is proven that the defendants' trademarks were registered despite them falling under any of the said absolute grounds, this court may declare the registration as invalid.

[31] Section 24 of the Act provides a list called 'relative grounds for refusal' whereby if this court found that the defendants' CONVERT trademarks were registered despite any of those relative grounds were proven to have existed at the time of the trademarks' registration, then this court could, similarly, invalidate the trademarks' registration.

[32] Some instances of the relative grounds are:

(a) there exists a likelihood of confusion on the part of the public:

(i) where the trademark is identical with an earlier trademark and is to be registered for goods or services similar to the earlier trademark; or

(ii) where the trademark is similar to an earlier trademark and is to be registered for goods or services identical with or similar to the earlier trademark;

(b) the trademark is identical with or similar to a well-known trademark:

(i) which is not registered in Malaysia and it is to be registered for the identical goods or services of the proprietor of the well-known trademark; or

(ii) which is registered in Malaysia and it is to be registered for goods or services which are not identical or not similar to those in respect of which the well-known trademark is registered and:

(A) the use of the trademark in relation to those goods or services would indicate a connection between those goods or services and the proprietor of the well-known trademark;

(B) there exists a likelihood of confusion on the part of the public because of such use; and

(C) the interests of the proprietor of the well-known trademark are likely to be damaged by such use.

(iii) the use of that trademark in Malaysia is prevented by virtue of an earlier right including under the law of copyright or industrial designs, unless the proprietor of the earlier trademark or other earlier right consents to the registration in the prescribed manner.

FUNDAMENTAL ISSUE TO BE DETERMINED IS WHETHER PLAINTIFFS ARE AGGRIEVED PERSONS

[33] It is my finding that in determining whether the plaintiffs' application for an invalidation could be sustained, s 47 of the Act instructs this court to resolve the fundamental legal issue as to whether or not the plaintiffs are aggrieved persons. If the answer to this question is in the affirmative, only then will this court move on to consider whether the defendants' trademarks were registered in breach of the absolute grounds for refusal of registration under s 23, particularly paras 23(1)(b) and 23(5)(a), and sub-s 47(6) of the Act. On the contrary, if the answer to that question is in the negative, then the application shall be dismissed in limine without considering the merits.

[34] Although the provisions of our Trademarks Act 2019 and its precursor legislation, the Trade Marks Act 1976, mirrored most of the provisions of the UK Trade Marks Act 1994, and its precursor the Trade Marks Act 1938, the prerequisite statutory requirement of 'aggrieved person' who could bring the complaint for invalidation provided in s 47 of the Trademarks Act 2019 is not found in the UK Trade Marks Act 1994 (for a discussion on the declarations of invalidity under the UK law, see *The Modern Law of Trade Marks*, Morcom, Roughton and Graham, paras 7.23–7.33.)

Locus standi

[35] It is my finding that for the plaintiffs to 'pass the test' and being recognised as 'aggrieved persons' within the meaning of s 47 of the Trademarks Act 2019, they must firstly possess the locus standi. Secondly, they cannot fall within the category of busy-bodies.

[36] In *Tan Sri Haji Othman Saat v Mohamed bin Ismail* [1982] 2 MLJ 177, Abdoolcader J (as His Lordship was then) said:

> The sensible approach in the matter of locus standi in injunctions and declarations would be that as a matter of jurisdiction, an assertion of an infringement of a contractual or a proprietary right, the commission of a tort, a statutory right or the breach of a statute which affects the plaintiff's interests substantially or where the plaintiff has some genuine interest in having his legal position declared, even though he could get no other relief, would suffice.
>
> When it comes however to the question of discretion on a consideration of the substantive application, it may well be proper in particular cases to refuse a remedy to persons who, though they may have standing as a matter of jurisdiction on the lines we have indicated, do not merit it, perhaps because, inter alia, others are more directly affected, or the plaintiff himself is fundamentally not.

In essence, the onus is on the plaintiffs to prove that they have the legitimate interest in their claim that the defendant's CONVERT trademark must be invalidated by this court.

[37] The Malaysian locus classicus on locus standi is the case of *Government of Malaysia v Lim Kit Siang* [1988] 2 MLJ 12; [1988] 1 CLJ 219; [1988] 1 CLJ Rep 63. There, the Federal Court in great detail laid out the history that set out the principle on locus standi in England from the decision of Buckley J in *Boyce v Paddington Borough Council* [1903] 1 Ch 109, to the widening of the principle during the tenureship of Lord Denning MR in cases such as *Blackburn v Attorney-General* [1971] 1 WLR 1037 and *Regina v Greater London Council ex parte Blackburn and another* [1976] 1 WLR 550, to the restoration of the stricter *Boyce v Paddington* by the House of Lords in its 1977 decision of *Gouriet v Union of Post Office Workers* [1978] AC 435. The Federal Court observed that this development was shortlived with the introduction of O 53 of the UK Supreme Court Rules which provided for the combination of applications for prerogative orders with application for declaratory and injunctive remedies by way of judicial review, where applicants need only show 'a sufficient interest'.

The Federal Court went on to observe that this led to the English Courts returned towards the liberal stand proposed by Lord Denning prior to *Gouriet*'s case. Most importantly, after the position of the law on locus standi in England, the Federal Court concluded:

> Back in Malaysia, since we have not accepted O 53 and its statutory underpinning (ie s 31 of the Supreme Court Act) there is no justification therefore for us to depart from the rule of locus standi accepted by the highest Court in England prior to O 53.

The Federal Court then referred, with approval, the decisions of the Federal Court in *Tan Sri Haji Othman Saat* and the earlier decision of Abdolcadeer J (as His Lordship then was) in *Lim Cho Hock v Government of the State of Perak, Menteri Besar, State of Perak and President, Municipality of Ipoh* [1980] 2 MLJ 148; [1980] 1 LNS 43.

This led to the Federal Court laying down the oft-cited principle on locus standi applicable in Malaysia:

> Every legal system has a built-in mechanism to protect its judicial process from abuse by busy-bodies, cranks and other mischief-makers by insisting that a plaintiff should have special interest in the proceedings which he institutes. This special interest is a nexus between him and the party against who he brings his complaints to court and is known as locus standi.' Thus based on the reasons given above and the two authorities cited, we are of the view that all the plaintiffs have locus standi to bring the suit against the defendant.

[38] This court refers to the elucidation of the Court of Appeal in *Ketua Pengarah Jabatan Alam Sekitar & Anor v Kajing Tubek & Ors and other appeals* [1997] 3 MLJ 23 at pp 40–41; [1997] 4 CLJ 253 at p 276; where the court discussed the principle of locus standi as follows:

> In public law — and, in so far at least as the appellants in the first and second appeal are concerned, the summons in the present instance lies in public law — there are two kinds of locus standi. The first is the initial or threshold locus standi : the second is the substantive locus standi.
>
> Threshold locus standi refers to the right of a litigant to approach the court in relation to the facts which form the substratum of his complaint. It is usually tested upon an application by the defendant to have the action struck out on the ground that the plaintiff, even if all that he alleges is true, cannot seek redress in the courts.
>
> Although a litigant may have threshold locus standi in the sense discussed, he may, for substantive reasons, be disentitled to declaratory relief. This, then, is substantive locus standi. The factors that go to a denial of substantive locus standi are so numerous and wide ranging that it is inappropriate to attempt an effectual summary of them. Suffice to say that they range from the nature of the subject matter in respect of which curial intervention is sought to those settled principles on the basis of which a court refuse declaratory or injunctive relief.

[39] In *Malaysian Trade Union Congress & Ors v Menteri Tenaga, Air dan Komunikasi & Anor* [2014] 3 MLJ 145; [2014] 2 CLJ 525, the Federal Court reaffirmed its earlier decision in *Lim Kit Siang* and held:

> The law on locus standi as laid down in *Lim Kit Siang*'s case was based on the principle in *Boyce v Paddington Borough Council* [1903] 1 Ch 109*, as approved in Gouriet v Union of Post Office Workers* [1978] AC 435. This is what Hashim Yeop A Sani SCJ said at p 40 of the report:
>
> What then is the proper law to apply to determine the locus standi of the respondent here? In my opinion, the principle in *Boyce v Paddington Borough Council* [1903] 1 Ch 109*, as approved in Gouriet v Union of Post Office Workers* [1978] AC 435 is still the law applicable in this country. Buckley J propounded the law as follows:
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> A plaintiff can sue without joining the Attorney General in two cases: first, where the interference with the public right is such as that some private right of his is at the same time interfered with ...; and secondly, where no private right is interfered with, but the plaintiff, in respect of his public right, suffers special damage peculiar to himself from the interference with the public right.
>
> In my view, we ought also to apply the common law principle enunciated in *Boyce* by virtue of s 3 of the Civil Law Act 1956.
>
> *Gouriet*'s case was distinguished in the House of Lords case of National Federation. The general conclusion to be drawn from National Federation, as summarised by Abdoolcader SCJ in *Lim Kim Siang*'s case at p 43 of the report, is that the majority thought the issue of standing should usually be considered along with the merits, as

it is now a matter for the court's discretion — the graver the illegality, the less insistence on showing standing.

[40] Although the issues on appeal were pertaining to *locus* in judicial review applications, I found the principle laid down by the Federal Court in *Lim Kit Siang* and *Malaysian Trade Union Congress* determining who is a busy-body is applicable here. In *Malaysian Trade Union Congress*, the Federal Court referred to the decision of Zaleha Zahari JCA (as Her Ladyship then was) when delivering the Court of Appeal majority decision (the decision of the Court of Appeal is found in *Minister of Energy, Water and Communication & Anor v Malaysian Trade Union Congress & Ors* [2013] 1 MLJ 61; [2012] 9 CLJ 858) where Her Ladyship held:

> Applying the principle enunciated by the Supreme Court decision in *Lim Kit Siang*, I am of the view that the learned Judicial Commissioner's approach of linking parties to the subject matter based on the English criteria of locus, which has different provisions, was misconceived. The requirement in Malaysia of having to establish a legal right under the law, a breach of such legal right which adversely affected the rights of such a person, effectively restricts public interest litigation.
>
> In respect of the second to 14th Applicants I am of the view that these Applicants had no locus standi under O 53 of the Rules to file an application for judicial review. These Applicants dissatisfaction with the decision of the Minister in rejecting MTUC's application does not make them persons who were 'adversely affected' by the Minister's decision falling within the ambit of O 53. They were clearly strangers to the said application. The question of the second to 14th Applicants being wrongly deprived of a fundamental or legal right does not accordingly arise. On this ground alone I am of the view that the application of the second to 14th Applicants should have been dismissed.
>
> Whilst MTUC may be considered to fall within the term 'adversely affected' by reason of the Minister's refusal of their application, according to the law, to clothe them with locus, MTUC must establish that they have a fundamental right or a legal right (see *Lim Kit Siang*'s case) to have access and disclosure of the Audit Report and the Concession Agreement and that those rights had been infringed.

[41] The Federal Court affirmed that proposition and in confirming the majority decision of the Court of Appeal held:

> We agree with the majority's view that their dissatisfaction with the decision of the Minister in rejecting MTUC's application did not make them persons who were 'adversely affected' by the Minister's decision falling within the ambit of O 53. They were clearly strangers to the said application.

[42] Applying the principle as set out above, I ruled that in the context of the plaintiffs, as they prayed for declaratory reliefs against the defendants, they must satisfy this court that they possess the substantive locus standi.

Are the plaintiffs persons with substantive locus standi or are they mere busy bodies?

[43] In determining whether or not the plaintiffs are aggrieved persons within the confines of s 47 of the Act, this court referred to the highly persuasive High Court of Singapore decision in *Re Arnold D Palmer in the matter of Trade Mark Registration No 63249* [1987] 2 MLJ 681; [1986] 1 LNS 11 where Chan Sek Keong J (as His Lordship then was) set up in pronounced details, to the great benefits of this court and many others that referred to His Lordship's scholarly works in this case, the development of jurisprudence on what is the legal context of 'aggrieved person'.

[44] His Lordship considered the following speeches of Lord Herschell and Lord Watson in the House of Lords in *Powell v Birmingham Vinegar Brewery Co* [1894] 11 RPC 4; [1984] AC 8:

> Whenever it can be shown, as here, that the applicant is in the same trade as the person who has registered the trade mark, and whenever the trade mark, if remaining on the register would, or might, limit the legal rights of the applicant, so that by reason of the existence of the entry on the register he could not lawfully do that which, but for the existence of the mark upon the register, he could lawfully do, it appears to me that he has a locus standi to be heard as a person aggrieved', per Lord Herschell

> In my opinion, any trader is, in the sense of the statute, 'aggrieved' whenever the registration of a particular trade mark operates in restraint of what would otherwise have been his legal rights. Whatever benefit is gained by registration must entail a corresponding disadvantage upon a trader who might possibly have had occasion to use the mark in the course of his business. It is implied, of course, that the person aggrieved must manufacture or deal in the same class of goods to which the registered mark applies, and that there shall be a reasonable possibility of his finding occasion to use it', per Lord Watson

His Lordship then remarked:

> Even then, the two speeches quoted above did not attract the unqualified approbation of subsequent judges. In *Wright Crossley & Company's Trade Mark* (1898) 15 RPC 379 at page 379, Rigby LJ pointed out that the judgments did not amount to an assertion that the mere fact that a person is engaged in the same trade was sufficient to make him an aggrieved person. 'A fortiori, when a person is not engaged in the same trade or in any trade at all': see *Oscar Trade Mark* [1979] RPC 173, 184 at page 184. This view of the law is supported by at least three later decisions, viz, *Lever Bros v Sunniwite Products* (1949) 66 RPC 84, *Consort Trade Mark* [1980] RPC 160 and *Wells Fargo Trade Mark* [1977] RPC 503.

> In *Lever Bros* (1949) 66 RPC 84, Romer J held that a trader whose sole activity lay in the region of soapless detergents could not be regarded as aggrieved in respect of another's mark being on the register in relation to perfumery, cosmetics, preparations for the hair and dentifrices, he having held that none of these registered

goods was of the same description as soapless detergents.

In *Consort* [1980] RPC 160, it was held that an applicant for rectification does not have the necessary status of a person aggrieved in respect of goods within the registered proprietors' registration that are not the same or at least of the same description as those in which he is either already engaged in trade or has that fixed intention of use which is a necessary prerequisite to his own application for registration.

In *Wells Fargo* [1977] RPC 503, it was held that whether the parties were trade rivals was to be judged in the context of the business carried on in the United Kingdom by the applicants in relation to trade of manufacturing or dealing in goods for which the mark was registered. As there was no evidence that the applicants in fact so traded with the United Kingdom they were not, therefore, 'persons aggrieved'.

On the basis of these decisions, it is plain that the applicant will fail in this appeal unless he can show that he has used his trade mark in the course of a trade which is the same as or similar to that of the respondents or that he has a genuine and present intention to use the mark as a trade mark. But the evidence shows none of these things, as the Registrar has found.

[45] The principle that can be distilled from *Re Arnold D Palmer* is that a person is an aggrieved person in a trade mark claims when:

(a) he has shown that he used his mark as a trademark;

(b) he has a genuine and present intention to use his mark as a trademark;

(c) the use or intention to use of that trademark is in the course of a trade; and

(d) the trade in issue must be one which is the same as or similar to the trade of the owner of the registered trademark that the person wants to have removed from the register.

[46] *Re Arnold D Palmer* was referred to with approval by the Federal Court in *McLaren International Ltd v Lim Yat Meen* [2009] 5 MLJ 741; [2009] 4 CLJ 749. Referring to Chan Sek Keong J's finding that a person's claim that he is an aggrieved person in a trademark claim will fail unless he can show that he has used his trademark in the course of a trade which is the same as or similar to the trade of the owner of the registered trademark that the person wants to have removed from the register, the Federal Court held:

> We understand that passage as laying down the principle that a person aggrieved is a person who has used his mark as a trademark — or who has a genuine and present intention to use his mark as a trademark — in the course of a trade which is the same as or similar to the trade of the owner of the registered trademark that the person wants to have removed from the register.'

[47] The Federal Court then concluded that whether a person pass the test of a person aggrieved as laid down in *Re Arnold D Palmer* is a question of fact, and in the case of the appellant before the Federal Court, the court held that he cannot be regarded as an aggrieved person because as a person whose application for trademark registration was jeopardised by s 19(1) of the Trade Marks Act 1976, the appellant 'cannot, without more, qualify as a person aggrieved, because he could be a mere busybody'. Approving the test laid down by Chan Sek Keong J, the Federal Court further held:

> In essence the principle laid down by Chan Sek Keong J in that case was that 'a person aggrieved is a person who has used his mark as a trade mark — or who has a genuine and present intention to use his mark as a trade mark — in the course of a trade which is the same as or similar to the trade of the owner of the registered trade mark that the person wants to have removed from the register.

[48] *McLaren International* was reaffirmed by the Federal Court in *Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party)* [2015] 6 MLJ 465 where it held:

> A person aggrieved is a person who has used his mark as a trademark or who has a genuine and present intention to use his mark as trademark in the course of a trade which is the same as or similar to the registered trademark that the person wants to be removed from the register. The person must be someone who has some element of legal interest, right or legitimate expectation in its own mark which is being substantially affected by the presence of the registered trademark. The interest and right must be legal or lawful.

[49] The appellant in *Mesuma Sports* was requested by the respondent to produce and supply sports clothing bearing the tiger stripes design. Some three years later, the appellant, claiming itself to be the first user of the design as a trademark in the course of trade, filed for registration of the design under the Trade Marks Act 1976 while it was still a supplier of sports goods to the respondent. The respondent filed a suit against the appellant claiming that it was the lawful owner of the design and trademark and that the defendant had no such valid claim to registration of the tiger stripes based on the plaintiff's ownership and use, and who initiated the rectification action to remove or expunge the same and that the appellant had, inter alia, passed-off the respondent's design. The Federal Court held that the registration was an entry wrongly remaining in the register and ordered its removal.

[50] Most recently, the test in determining who is an aggrieved person within the meaning of trademarks law as laid down in *Re Arnold D Palmer* and adopted with approval in *McLaren International* and *Mesuma Sports* was reaffirmed by the Court of Appeal in *Ooi Siew Bee (trading under the name and style Sykt Perniagaan Eng Leong) & Ors v Zhu Ge Kong Ming Sdn Bhd* [2020] 4 MLJ 815; [2020] 1 LNS 261 where it was held:

All these considerations combine, in our view, the learned Judicial Commissioner has correctly applied the law to the facts when he made a finding that the 3rd plaintiff is not a person who has used this mark as a trademark in the cause of trade and therefore is not an aggrieved person within the meaning of s 45(1)(a) of the TMA.

[51] To recapitulate, the plaintiffs' main complaint to substantiate their current application before this court was the plaintiffs' CONVERT trademarks contravened Camel Active and Converse marks. The genesis of the plaintiffs claimed was that the plaintiffs' CONVERT trademarks must be invalidated as:

(a) the defendants' CONVERT trademarks' registration were obtained by fraud, deception and/or misrepresentation as the stylised letter 'C' of the CONVERT trademark Registration No 05000826 are conspicuously similar to the stylised letter 'C' of the following well-known Camel Active mark;

(b) the defendants' CONVERT trademarks are also confusingly similar, phonetically and visually, to another well-known mark of an international brand 'Converse';

(c) by his failure to disclose the similarities between the defendants' CONVERT trademarks and the Camel Active and Converse marks, the first defendant has committed fraud and/or practised deception and/or misrepresentation to the Registrar of Trademarks; and

(d) the defendants' CONVERT trademarks are confusingly similar to the Camel Active and Converse marks, and that the defendants have copied the Camel Active and Converse marks with an intention to pass off their products as those originating from the said Camel Active and Converse marks, both of which are internationally well-known brand. E This is substantiated by the affidavit evidence of many (nine altogether) traders, shopkeepers and customers in the footwear industry whom had averred that they refer to and pronounce the defendants' CONVERT trademarks as 'Converse' and not 'Convert', and that they regarded the plaintiffs' products as Camel Active products.

[52] The plaintiffs has nothing to do, either legally, economically, socially, personally or through any form of business connection or otherwise, with the Camel Active and Converse trademarks, or the said trademarks' owners. I had perused the evidence before me and cannot find an iota of evidence to prove to this court that the actual proprietors of the Camel Active and Converse trademarks — who are third parties — have taken issue at any time with the defendants' CONVERT trademarks.

[53] Having subscribed to the principles laid down in *Re Arnold D Palmer*

and the decisions that followed it as encapsulated in the preceding paragraphs, it was my finding that the plaintiffs have no substantive locus standi to initiate this action and the plaintiffs has no legal basis to start this proceeding against the defendants as the plaintiffs are not aggrieved persons within the meaning of s 47 of the Trade Marks Act 2019. Having found that the plaintiffs lacked locus standi and are not aggrieved persons, this court can only declare that the plaintiffs are mere busy bodies.

[54] Having found that the plaintiffs are not aggrieved persons, this court ruled that there would not be any necessity to rule on the other claims of the plaintiffs. However, this court would briefly touch on the plaintiffs' claim that this court must invalidate the defendants' trademarks as the word 'Convert' merely carries an ordinary dictionary meaning, too plain, too undistinctive. This court ruled that the Trademarks Act 2019 (and its predecessor) does not prohibit against trademarks comprising words which a plain, simple and with a mere dictionary meaning. Sections 23 and 24 of the Trademarks Act 2019 unequivocally direct the Registrar of Trademark to refuse to register trademarks when he found there exist absolute grounds (as enumerated in s 23) and relative grounds (as in s 24) to do so. That the word 'Convert' is a plain, simple and carries a mere plain dictionary meaning, does not equate indistinctiveness. That the word is too plain to the plaintiffs' liking does not form either an absolute ground or relative ground to enable the Registrar to refuse to register it as a trademark.

OS NO WA-24IP-7–05 OF 2019

[55] In arriving at my decision on the plaintiffs' application, I had also took cognisance of an earlier action brought by the defendants vide OS No WA-24IP-7–05 of 2019 ('OS 2019').

[56] In this OS 2019, the defendants herein filed an ex parte application dated 13 may 2019 for, among others, declaratory orders pursuant to ss 8, 9(1) and 9(2) of the Trade Descriptions Act 2011 and O 7 r 7 of the Rules of Court 2012 ('the ROC') that the use of the following marks:

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by any persons or companies in relation to clothing, footwear, headgear, sandals, slippers or shoes that is not manufactured, distributed, sold, supplied, authorised or licensed by the defendants, is a use of false trade description for the purposes of the Trade Descriptions Act 2011.

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[57] On 26 June 2019, Justice Lim Chong Fong granted the ex parte Trade Description Order ('ex parte TDO').

[58] Consequent to the ex parte TDO, the defendants sent a complaint to the Ministry of the Domestic Trade and Consumer Affairs ('MDTCA') that the plaintiffs' infringing products were being supplied out of and/or being stocked for sale and/or offered for sale from various premises belonging to the plaintiffs. Following that complaint, a raid was carried out by the MDTCA at two of the plaintiffs' premises in Pusing, Perak where a total of 76,632 pairs of slippers bearing the infringing marks were seized.

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[59] The first and second plaintiffs herein alleged that the raid had resulted in them suffering substantial losses and damages to their business, and as the raid and seizure was widely publicised in the media, the members of the public and their customers were led into believing that the plaintiffs' products carrying the plaintiffs' trademarks are counterfeit products.

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[60] This led to the first and second plaintiffs filing an application on 11 October 2019 to intervene in the OS 2019 pursuant to O 42 r 3 and O 15 r 6(2)(b) of the ROC and for them to be allowed to set aside the said ex parte TDO. Aside from that, the application also asked for declarations that the use of the following marks by the first and second plaintiffs:

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would not constitute infringement and/or passing off the following marks belonging to the first defendant's:

[61] On 9 June 2020 Justice Ahmad Kamal Md Shahid had dismissed the first and second plaintiffs' application to intervene in that OS 2019. His Lordship had also disallowed the setting aside of the ex parte TDO.

[62] That decision effectively meant that the first and second plaintiffs' marks as enumerated above have been found to be false trade descriptions for the purposes of the Trade Descriptions Act 2011, and those marks have also been found to have constituted infringements of the first defendant's trademarks and/or passing off.

[63] The first and second plaintiffs had appealed against that decision on 15 June 2020.

[64] It is trite law that until the appellate court decides otherwise, the ex parte TDO shall remain valid against the plaintiffs. As the plaintiffs' trademarks have been found to have constituted infringements of the first defendant's trademarks and/or passing off through the said TDO, the plaintiffs

cannot now come before this court to ask for an invalidation order against the defendants' trademarks which was the very subject of the TDO proceeding. For this court to recognise the plaintiffs as an aggrieved person and to entertain their invalidation request, despite having the knowledge of the outcome of the ex parte TDO proceeding in the OS 2019, would be in direct breach of public policy. This was the principle laid down in *LB (Lian Bee) Confectionery Sdn Bhd v QAF Ltd* [2012] 4 MLJ 20; [2012] 3 CLJ 661, where the Federal Court held:

> We are in agreement with the learned judge's findings that as an infringer and as to what may be regarded as a 'policy' ground, the appellant cannot be regarded as a 'person aggrieved' for the purposes of s 46(1) of the TMA ...
>
> In pursuance of the principle that law should serve the public interest, the courts have evolved the important technique known as construction in bonam partem (in good faith). If a statutory benefit is given on a specified condition being satisfied, *it is presumed that Parliament intended the benefit to operate only where the required act is performed in a lawful manner.*
>
> *Construction in bonam partem is related to three specific legal principles. The first is that a person should not benefit from his own wrong*. Next is the principle allegans suam turpitudinem non est audiendus. *If a person had to prove an unlawful act in order to claim the statutory benefit, this maxim would preclude him from succeeding*. The third related principle is stated by Coke in the words ubi quid generaliter conceditur inest haec exceptio si non aliquid sit contra jus fasque (*where a grant is in general terms there is always an implied provision that it shall not include anything which is unlawful or immoral*). (Emphasis added.)
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> ... In this case, even before the application for expungement, the appellant had unlawfully been using the Infringing Mark 'Squiggle' which is confusingly similar to the Registered Trade Mark. Applying the principle of construction in bonam partem, the appellant cannot be regarded as being a bona fide 'person aggrieved' or a person who is lawfully aggrieved for the purposes of s 46(1)(b) of the TMA. Furthermore, if the appellant is to be regarded as a 'person aggrieved' for the purposes of s 46(1)(b) of the TMA, it would mean that all infringers may apply to expunge the very trade mark they have been infringing and this would be contrary to the time-honoured principle of not allowing them to benefit from their very own wrong or unlawful act.

[65] This court found merits in the defendants' arguments that the plaintiffs are estopped from challenging the validity of the defendants' CONVERT trademarks as they have raised the same challenge in their application to set aside the TDO, which they lost and is now pending appeal. I found that that the defendants had successfully raised the issue estoppel against the plaintiffs in line with the principle laid down in *Asia Commercial Finance (M) Bhd v Kawal Teliti Sdn Bhd* [1995] 3 MLJ 189; [1995] 3 CLJ 783 which was cited by the defendants' counsel where the Supreme Court held:

> Thus, there are in fact two kinds of *estoppel per rem judicatum*. The first type relates

to cause of action estoppel and the second, to issue estoppel, which is a development from the first type.

The cause of action estoppel arises when rights or liabilities involving a particular right to take a particular action in court for a particular remedy are determined in a final judgment and such right of action ie. the cause of action, merges into the said final judgment; in layman's language, the cause of action has turned into the said final judgment. The said cause of action may not be re-litigated between the same parties because it is res judicata. In order to prevent multiplicity of actions and also in order to protect the underlying rationales of estoppel per rem judicatum and not to act against them, such estoppel of cause of action has been extended to all other causes of action (based on the same facts or issues) which should have been litigated or asserted in the original earlier action resulting in the final judgment and which were not either deliberately or due to inadvertence ...

On the other hand, the issue estoppel literally means simply an issue which a party is estopped from raising in a subsequent proceeding. However, the issue estoppel, in a nutshell, from a consideration of case law, means in law a lot more ie. that neither of the same parties or their privies in a subsequent proceeding is entitled to challenge the correctness of the decision of a previous final judgment in which they, or their privies, were parties. This sounds like explaining a truism, but it is the corollary from that statement that is all important and that could have given birth to the controversies alluded to above; the corollary being that neither of such parties will be allowed to adduce evidence or advance any argument to contradict such decision ...

It is particularly important to bear in mind the question of the public policy that there should be finality in litigation in conjunction with the exploding population; the increasing sophistication of the populace with the law and with the expanding resources of the courts being found always one step behind the resulting increase in litigation.

CONCLUSION

[66] The plaintiffs are not aggrieved party within the meaning of s 47 of the Trademarks Act 2019. They do not possess the locus standi to bring this action against the plaintiffs. The plaintiffs clearly had a delusion that they are aggrieved persons and take this application having been aggrieved by the decision in the TDO proceeding and has appealed against the decision of this court in dismissing their application to set aside that order. On the contrary, the plaintiffs' current application is akin to challenging the correctness of the decision of a previous final judgment in which they, or their privies, were parties. That challenge is rightly taken up by the plaintiffs to the Court of Appeal. But as illustrated in the preceding paragraphs, the plaintiffs is estopped from raising similar issue in a subsequent proceeding, which is currently before me.

A **[67]** In short, I found the plaintiffs failed to fulfill the statutory requirements of s 47 of the Trademarks Act 2019 to enable this court to issue the invalidation order they seek. On the foregoing considerations, I dismissed the plaintiffs' application with costs.

B *Plaintiffs' application dismissed with costs.*

Reported by Nabilah Syahida Abdullah Salleh

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